

Exhibit B

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1 A. Yes.
 2 Q. And this is -- this Email references a planned
 3 meeting for January with Mr Hauspie and Mr Avonts, is that
 4 correct?
 5 A. That's correct.
 6 Q. Do you know if any such meeting took place?
 7 A. I don't remember that.
 8 Q. Did you have any conversations with Mr Avonts
 9 about a meeting with L & H related to a European Investment
 10 Bank?
 11 A. I don't remember that.
 12 Q. Do you have any reason to doubt that you received
 13 this Email on or about December 24th of 1998?
 14 A. No, I don't.
 15 Q. If you could turn back to the Bruneel Exhibit 12
 16 that we've just looked at, and now I would like to turn your
 17 attention to the second half of the document, beginning at
 18 DBB 109573.
 19 A. Yes.
 20 Q. And running through 109578; as to that portion, do
 21 you recognize that document?
 22 A. No, I don't.
 23 Q. Does it appear to be meeting minutes for Artesia
 24 Securities?
 25 A. It's a meeting -- of a meeting which has been held

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1 decided to create Artesia Securities?
 2 A. I don't remember.
 3 Q. Do you know -- did the Management Committee of the
 4 Bank?
 5 A. I don't remember it, but such a decision has to
 6 have been taken by the Management Committee -- management
 7 board from a bank.
 8 Q. Once established, Artesia Securities was a 100 per
 9 cent subsidiary of Artesia Bank, is that correct?
 10 A. That's correct.
 11 Q. Do you know when Artesia was established formally,
 12 Artesia Securities excuse me?
 13 A. No, I don't remember that.
 14 Q. OK. We're going to be looking at some documents
 15 later, which will I think indicate that it was in March of
 16 1999 when Artesia Securities was officially up and running;
 17 do you recall working on Artesia Securities' projects prior
 18 to it being established as a formal subsidiary?
 19 A. I don't remember that.
 20 Q. Also -- I'll also for timing purposes represent
 21 that your counsel's previously indicated that you became the
 22 President of Artesia Securities in June of 2000; does that
 23 help refresh your recollection as to when --
 24 A. No.
 25 Q. -- you assumed that title?

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1 the 27th November '98 for Artesia Securities, yes.
 2 Q. OK. And you're listed as a recipient of that, is
 3 that correct?
 4 A. Yes, yes.
 5 Q. Did you have a role at Artesia Securities in
 6 December of 1998?
 7 A. Did I have a what? (Translated by interpreter).
 8 I don't remember that when I just went to Securities. I
 9 don't know the exact date, so I cannot answer that.
 10 Q. At this time you were doing investment banking
 11 work, is that correct?
 12 A. Again, I don't remember the exact date.
 13 Q. But the preceding memo, which was two pages, which
 14 referenced a potential business plan related to Lernout &
 15 Hauspie, was that drafted by you in connection with your
 16 duties as an investment banker?
 17 MR. WEIDNER: Object to the form.
 18 THE WITNESS: Again, I don't remember that. Probably,
 19 they asked me to look at that as the fact that I had some
 20 experience in investment banking, that's all, but I don't
 21 remember this note.
 22 MR. EGAN: When did you first -- when do you recall
 23 first becoming involved with Artesia Securities?
 24 A. I don't remember the exact date.
 25 Q. When did you first hear about -- strike that. Who

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1 A. No.
 2 Q. It does not?
 3 A. No.
 4 Q. Who was head of Artesia Securities before you?
 5 A. Mr Van De Walle, Geert Van De Walle.
 6 Q. And Mr Van De Walle is referenced on this document
 7 we were just looking at, the December 3rd '98 memo --
 8 minutes, is that correct?
 9 A. That's correct, that Mr Van De Walle.
 10 Q. Do you know when he was head of Artesia
 11 Securities?
 12 A. No, I don't remember the exact date.
 13 Q. OK. Was anyone else -- strike that. Who was head
 14 of Artesia Securities prior to Mr Van De Walle?
 15 A. I don't know that.
 16 Q. Did Mr Avonts ever hold a role as head of Artesia
 17 Securities?
 18 A. I don't remember that.
 19 Q. Did you attend periodic meetings of Artesia
 20 Securities?
 21 MR. WEIDNER: Object to the form.
 22 THE WITNESS: I don't remember that.
 23 MR. EGAN: This meeting minute is numbered number 5,
 24 do you see that? It's in the shaded box, it's a little
 25 difficult to read on the copy.

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1 A. I don't see the number 5, where do you see
2 number -- (Translated by interpreter) Ah, number 5, I see,
3 sorry, OK.
4 Q. And did Artesia Securities -- strike that. What
5 are these -- this document, what is it minutes of?
6 A. Minutes of a meeting.
7 Q. Do you know who the participants at the meeting
8 were?
9 A. The participants are mentioned, so the five
10 names -- the five names which are mentioned there.
11 Q. In December 1998 do you know what Mr Avonts'
12 responsibility was?
13 A. I think he was a board member of Artesia, but the
14 exact responsibilities I don't remember them all.
15 Q. How about E Deklippe, D - E - K - L - I -
16 P - P - E - L?
17 A. Yes.
18 Q. Who does that refer to?
19 A. That's Etienne Deklippe, and he was responsible
20 for the sales desk, the sales equity desk.
21 Q. Was that at the Bank?
22 A. At the Bank, and after the creation of Artesia
23 Securities he went to Securities.
24 Q. What about Mr Van De Walle, do you know what his
25 position was in December '98?

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1 Q. And, at this time, were you participating at this
2 meeting as a representative of investment banking?
3 A. I don't remember that. Again, I don't remember
4 the exact date when I moved, so I don't remember if I was
5 assisting there my -- as a responsible guy from investment
6 banking or not, so I don't remember that.
7 Q. Did you attend any Artesia Securities' meetings in
8 your capacity as an investment banker prior to making --
9 prior to the switch of investment banking going into Artesia
10 Securities?
11 A. I don't remember that.
12 Q. Were you on the Executive Committee at Artesia
13 Securities prior to becoming head of Artesia Securities?
14 A. I don't remember that.
15 Q. Do you know if the people listed on this memoranda
16 were members of the Executive Committee of Artesia
17 Securities?
18 A. I don't remember that.
19 (Decraene Exhibit 2 marked.)
20 Q. You can put that aside for a moment. (Pause.) I'd
21 like to mark Decraene Exhibit 2, please. It's a two page
22 document, Bates stamped DBB 153661 through 662. Sir, do you
23 recognize this document?
24 A. No, I don't.
25 Q. Do you know what this document is?

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1 A. No, I don't know his exact position, no.
2 Q. And J Wauters, W - A - U - T - E - R - S;
3 who was that?
4 A. That is Johann Wauters.
5 Q. And what was Mr Wauters' role in December of '98?
6 A. I don't remember.
7 Q. Did you attend weekly meetings throughout late
8 1998 and 1999 concerning Artesia Securities?
9 A. I don't remember that.
10 Q. Did you receive periodic meeting minutes such as
11 this throughout 1998 -- late 1998 and throughout '99?
12 A. I don't remember that.
13 Q. If you look at the second page of this meeting
14 minutes under item 2.2, under the first bullet point there
15 is a number of sub-bullet points. As to the first one
16 there's a reference to investment banking, do you see that
17 reference?
18 A. Yes.
19 Q. Was there a concern in December of '98 not to
20 reference investment banking in relation to Artesia
21 Securities?
22 A. I don't remember that.
23 Q. Do you recall any structural -- any discussions of
24 the structure of Artesia Securities in December of '98?
25 A. I don't remember that.

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1 A. If I read it it's a memo of the -- it's a report
2 of the board of directors of 25th of March '99.
3 Q. Is this the board of directors of Artesia
4 Securities?
5 A. Yes.
6 Q. OK. It lists people present. It lists a Dirk
7 Bruneel as President, is that correct?
8 A. That's mentioned over there, yes.
9 Q. Do you know what Mr Bruneel's role was at Artesia
10 Bank in March of '99?
11 A. He was the President of the board of management of
12 Artesia Bank at that time.
13 Q. How about Mr Claude Piret, do you know what
14 Mr Piret's role was in March of '99?
15 A. No, I don't, I don't remember that.
16 Q. How about Mr Avonts, do you know what his role was
17 in March of '99?
18 A. I don't remember that.
19 Q. Next, how about Mr Van De Walle, do you know what
20 his role was in March of '99 at the Bank?
21 A. No, I don't remember that.
22 Q. Do you know who Geert Dauwe is?
23 A. I know Mr Dauwe, yes.
24 Q. And who is Mr Dauwe?
25 A. He was a board member of Paribas and later on of

1 Artesia, board of management.
 2 Q. Was he on the board of management in March of '99?
 3 A. I don't remember that.
 4 (Decraene Exhibit 3 marked.)
 5 (Decraene Exhibit 4 marked.)
 6 Q. You can put that aside, please. I'd like to mark
 7 Decraene exhibits 3 and 4. 3 is going to be a document
 8 Bates stamped DBB 154062 through 154128, and Exhibit 4 will
 9 be one page, DBB 153035. Sir, do you recognize these
 10 documents?
 11 A. I don't recognize them.
 12 Q. Excuse me?
 13 A. I don't remember them, I don't recognize them.
 14 Q. Does this appear to be a business plan of Artesia
 15 Securities?
 16 A. It seems to be a business plan which has been sent
 17 over to the Commission, to the CBF, Commission Bancaire.
 18 Q. Do you know why this business plan was sent to the
 19 CBF?
 20 A. If I reads it here it's to receive their approval
 21 to start up this activity for this company.
 22 Q. As to the second page forward, do you recognize
 23 the business plan?
 24 A. No, I don't.
 25 Q. If you turn to the third page of the Exhibit,

1 creation of Artesia Securities.
 2 Q. You were not involved in the creation?
 3 A. I was not involved in the creation.
 4 Q. Did you have any discussions as to why it was
 5 created?
 6 A. I don't remember that.
 7 Q. When you took over as head of Artesia Securities,
 8 did you ever go back and look at the history of Artesia
 9 Securities and its initial purpose?
 10 A. No, I haven't done that, but one of my main tasks
 11 when I took over at Artesia Securities was to resolve some
 12 problems we had with the Back Office; so my main focus has
 13 to be on the Back Office.
 14 Q. And that was the administering of the equities'
 15 trading?
 16 A. Yes.
 17 Q. If you turn to the next page under section 3,
 18 Artesia Securities Management, there's a discussion of the
 19 Executive Committee; do you see that discussion?
 20 A. 3.1?
 21 Q. 3.1, yes. It lists Mr Avonts, Mr Van De Walle,
 22 Mr Deklippe and Christophe Delvaux -- have I mispronounced
 23 that?
 24 A. Delvaux.
 25 Q. Delvaux, thank you. Were they the members of the

1 which is the second page of the business plan, it's 154064,
 2 there's a reference to "Artesia Securities will be a 100 per
 3 cent BACOB company"; do you see that reference?
 4 A. Which bullet point, I see Activities, Objectives?
 5 Q. 1.1 Activities, first bullet point.
 6 A. OK.
 7 Q. And I believe you testified earlier that Artesia
 8 Securities once formed was a 100 per cent subsidiary of the
 9 Bank, correct?
 10 A. I said that it was a 100 per cent company of the
 11 Bank, yes.
 12 Q. OK. And there's a reference to the ABC Group in
 13 that paragraph as well, is that correct?
 14 A. That's correct.
 15 Q. Was the intention for Artesia Bank to transfer
 16 all of its equity business to Artesia Securities?
 17 A. I don't remember that exactly.
 18 Q. In the second bullet point there's a reference to
 19 "the Group's client base", do you see that reference?
 20 A. Yes.
 21 Q. Was the intention to leverage the resources of the
 22 Bank in developing Artesia Securities?
 23 A. I don't remember that.
 24 Q. Why was Artesia Securities formed?
 25 A. I don't remember that; I was not involved at the

1 Executive Committee when Artesia Securities was formed?
 2 A. If I read it here, they be so, yes.
 3 Q. Were they members of the Executive Committee when
 4 you became involved with Artesia Securities?
 5 A. I don't remember all the names, but at a certain
 6 time Mr Van De Walle has left the company but I didn't know
 7 when it was exactly.
 8 Q. Do you know when Mr Van De Walle left?
 9 A. No, no, I don't remember that.
 10 Q. Do you know why he left?
 11 A. No, I don't remember that; he reported directly to
 12 Mr Avonts so.
 13 Q. To Mr Avonts?
 14 A. Yes.
 15 Q. Do you know where Mr Van De Walle is -- where he
 16 is currently working?
 17 A. He is currently working with AXA.
 18 Q. 3.2 references the Board. It references the
 19 Management Committee, Dirk Bruneel, Claude Piret, Dirk
 20 Vanderschrick, Geert Dauwe, Jan Snippe, S - N - I - P -
 21 P - E; do you see that reference?
 22 A. I see that reference.
 23 Q. Were they the members of Artesia Securities' Board
 24 at its inception?
 25 A. Again, probably as I read it here it does mean so.

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1 Q. Were they members of Artesia Securities' Board
2 when you took over as head of Artesia Securities?
3 A. I don't remember that, I don't remember that.
4 Q. Other than Mr Van De Walle, who had left at some
5 point, who were the members of the Executive Committee when
6 you served as head of Artesia Securities?
7 A. The name I remember is Mr Deklippe and also
8 Mr Avonts, but Mr Delvaux I don't remember.
9 Q. You do not?
10 A. No, I do not remember.
11 Q. Do you remember any --
12 A. No.
13 Q. -- discussions with him prior to becoming head of
14 Artesia Securities?
15 A. No, I don't remember it.
16 Q. OK. How about the Board, when you took over as
17 head of Artesia Securities who were the Board?
18 A. I don't remember it.
19 Q. What are (sic) the difference between the
20 Executive Committee of Artesia Securities and the Board of
21 Artesia Securities?
22 A. The Executive Committee is more the daily
23 management, and the Board is, I think each symester we had a
24 meeting with the Board.
25 Q. Each term?

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1 Q. If you look at the first bullet point, there is a
2 discussion that "the Audit Function will be exercised
3 directly by the Internal Audit Department of the Group"; do
4 you see that?
5 A. I see it.
6 Q. Does that state that it's going to be the Group's
7 Internal Audit Department that would be responsible?
8 A. As I read it here, it must be that, yes.
9 Q. OK. And at the last bullet under 7.2 there's a
10 reference to an Audit Committee, do you see that?
11 A. I see that.
12 Q. And this is the Audit Committee of Artesia
13 Securities?
14 A. Yes.
15 Q. Did Artesia Securities have an Audit Committee
16 when you were President?
17 A. I don't remember that.
18 Q. It references here it would consist of Dirk
19 Bruneel, Claude Piret and Rene Avonts; do you see that?
20 A. Yes.
21 Q. Did all three have roles at Artesia Securities
22 when you became President?
23 A. I don't remember that. The only person I remember
24 is Rene Avonts. The other two I don't remember.
25 Q. Where was Artesia Securities physically located

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1 A. Each quarter.
2 Q. Each quarter. And the Executive Committee would
3 report to the Board?
4 A. Yes.
5 Q. Who is Dirk Vanderschrik, V - A - N - D - E -
6 R - S - C - H - R - I - C - K?
7 A. Dirk Vanderschrik, I don't remember his
8 responsibilities at that time. Today, he has always been
9 active in the financial markets business, but his exact role
10 at that time I don't remember that.
11 Q. Do you know if he had previously worked for BACOB
12 or Paribas?
13 A. He has come in from BACOB.
14 Q. Do you know if in March of '99 he was employed by
15 Artesia Bank?
16 A. He was employed by Artesia Bank, yes.
17 Q. And do you know what his role or title was at that
18 time?
19 A. No, I don't remember that.
20 Q. Sir, if you could please jump ahead to page 10 of
21 the report, it's page 1540072 of the internal stamping,
22 Bates stamping. Section 7.2 discusses Audit Function. At
23 all times did Artesia Securities rely on Artesia Bank's
24 audit services and compliance department?
25 A. I don't remember that.

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1 when you became head?
2 A. It was in the WTC Tower.
3 Q. Was it on the same floor as banking -- let me
4 strike that. Artesia Bank also had offices in the WTC
5 Tower, correct?
6 A. Yes.
7 Q. How many floors did the Bank take up overall?
8 A. I don't remember that; I think most of the floors
9 except four or five, I don't remember that.
10 Q. OK. Was Artesia Securities in a specific floor?
11 A. They had its own specific floor, yes.
12 Q. If you could turn back to the second page of this
13 Exhibit, sir. The -- I'm sorry it's the first page of the
14 business plan, second page of the actual Exhibit but the
15 first page of the business plan, 154063. At the bottom it
16 just references 7 appendixes, do you see that?
17 A. Yes.
18 Q. Can I just tell you this document that's marked as
19 Exhibit 3 has appendixes 1 through 6. The last one is
20 appendix 7, Bloomberg Deal Management, Position, Risk & P/L
21 Reports. If you look at what's been marked as Decraene
22 Exhibit 4. It's a one page document Bates stamped 153035,
23 entitled Appendix 5 Bloomberg Deal Management, Position,
24 Risk and P/L reports. We believe that this is a prior draft
25 of the appendix which became appendix 7. As to the page

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1 Decraene Exhibit 4, the one page document, do you recognize
2 that document?

3 MR. WEIDNER: I'm going to object to the form; you can
4 answer.

5 THE WITNESS: I don't -

6 THE INTERPRETER: You don't have it?

7 THE WITNESS: Yes, I don't have that. Where is it?

8 Is it this one. I'm sorry. What was your question, sorry?

9 MR. EGAN: As to Decraene Exhibit 4, do you recognize
10 this document?

11 A. No, I don't.

12 Q. OK. And, again, as to the business plan for
13 Artesia Securities that we've been talking about with
14 Decraene Exhibit 3, do you recall ever seeing this document?

15 A. No, I haven't seen this document.

16 Q. Do you know who prepared this document?

17 A. No, I don't.
(Decraene Exhibit 5 marked.)

18 Q. You can put both of these documents aside, sir,
19 thank you. I'd like to mark Decraene Exhibit 5, a document
20 Bates stamped DBB 159705 through 714. Sir, do you recognize
21 this document?

22 A. No, I don't.

23 Q. Do you know if you drafted all or part of this
24 document?

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1 the section entitled 'Competences' there's a reference to
2 "Market Making Easdaq"; do you see that?

3 A. Here in the..... (Translated by interpreter) OK.

4 Q. Was Artesia Securities a Market Maker on Easdaq
5 during '99?

6 A. I don't remember that.

7 Q. Was Artesia Securities a Market Maker for FLV Fund
8 stock?

9 A. I don't remember it.

10 Q. Do you know if Artesia Securities was a Market
11 Maker for Lernout & Hauspie stock on the Easdaq?

12 A. I don't remember that.

13 Q. Do you know if Artesia Securities was a Market
14 Maker on any US exchanges?

15 A. I don't remember that.

16 Q. This discussion talks about Artesia "present
17 activities", is that correct?

18 A. Yes.

19 Q. Was there a person who handled the Market Making
20 activity within Artesia Securities in '99 and 2000?

21 A. I don't remember that.

22 Q. Do you - who do you think would have been in
23 charge of that activity, based on the structure of Artesia
24 Securities at the time?

25 A. I don't remember it; I don't know that.

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1 A. No, I don't; I don't remember it.

2 Q. If you look down on the first page there is a dash
3 point paragraph starting "companies looking for a partner".

4 A. Yes.

5 Q. Can you please read that paragraph to yourself?

6 A. Yes.

7 Q. Was one of the goals of Artesia Securities to
8 support the investment bank side of Artesia Bank?

9 A. I wouldn't state it like that. It's just that if
10 you do a capital markets operation like for example an IPO,
11 the people from investment banking they are structuring and
12 organizing the deal with what instructions has to be placed
13 in the market, and it has to have an off the market support;
14 and that kind of activities are activities which normally
15 has to be done by the brokerage side of an equity house; and
16 that is the co-operation I think there is between the guys
17 from investment banking and the guys from sales and after
18 sales.

19 Q. At investment banking did you ever use the
20 potential for equity coverage at Artesia Securities as a
21 selling point to a potential issuer?

22 A. I don't remember that if -- I don't remember that.

23 Q. Do you think you may have?

24 A. I don't remember that.

25 Q. If you look at the second page of Exhibit 5 under

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1 (Decraene Exhibit 6 marked.)

2 Q. I'd like to mark Decraene Exhibit 6. Decraene
3 Exhibit 6 is a document Bates stamped DBB 159273 through
4 299. I'll ask, sir, do you recognize this document?

5 A. No, I don't recognize it.

6 Q. Do you know if you prepared this document?

7 A. I don't remember that.

8 Q. Do you know who prepared this document?

9 A. No, I don't remember that.

10 Q. Do you know if you reviewed a draft of this?

11 A. I don't remember it.

12 Q. Do you know who the intended audience for this
13 document was?

14 A. Can I have a look at it first?

15 Q. Oh, certainly. (Pause)

16 A. I think it's more -- if I review the document it's
17 a commercial document for institutional clients under a
18 corporate setting.

19 Q. You say 'for institutional clients', what do you
20 mean by that?

21 A. The clients of Artesia Securities were only
22 institutional clients, so to whom we were selling equities.

23 Q. They were only institutional clients you said?

24 A. Yes.

25 Q. Was that when you became head or prior?

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1 A. It has always been, if I remember, only
2 intuitional clients.
3 Q. The focus was only on institutional clients or the
4 only clients were institutions?
5 A. Our clients were institutional, institutions as I
6 say.
7 Q. And when you institutions, what type of
8 institutions?
9 A. Pension funds, insurance companies, companies like
10 that.
11 Q. Do you know how many --
12 A. Investment management companies.
13 Q. Do you know how many institutional clients Artesia
14 Securities had in '99?
15 A. No, I don't know.
16 Q. Do you know how many they had in 2000?
17 A. No.
18 Q. Were the institutional clients also clients of the
19 Bank?
20 A. I don't remember that; can be.
21 Q. Do you know how Artesia Securities was
22 capitalized?
23 A. I don't remember that.
24 Q. Do you know if it was capitalized by Artesia Bank?
25 A. If Artesia Bank was the shareholder it must have

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1 Q. OK. There's also a reference to Cordius Asset
2 Management there, what is Cordius Asset Management?
3 A. It's our asset management company.
4 Q. Do you know when Cordius was formed?
5 A. No, I don't remember that.
6 Q. OK. And was Cordius a 100 per cent owned
7 subsidiary of the Bank.
8 A. I don't - I think so.
9 Q. OK. If you could turn two pages further into the
10 document to page 159280. In discussing Artesia Securities
11 it uses the phrase "the stockbroker of ABC"; what does that
12 mean?
13 A. To agree the company was acting on the equity
14 markets for Artesia Banking Corporation.
15 Q. Did Artesia Bank transfer all of its equity and
16 trading business to Artesia Securities?
17 A. I don't remember that.
18 Q. Do you know if Artesia Bank transferred all of its
19 trading and equity services for all of its subsidiaries into
20 Artesia Securities?
21 A. I don't remember that.
22 Q. OK. If you look at the next page, sir, there's a
23 reference to management structure with Mr Avonts as
24 President and you as Vice-President; do you see that?
25 A. I see that.

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1 been capitalized by Artesia bank, but I don't know, I don't
2 remember the numbers.
3 Q. Are you familiar with the term 'reference
4 shareholder'?
5 A. I know that, yes, I know the term 'reference
6 shareholder'.
7 Q. What does a reference shareholder mean to you?
8 A. The major shareholder.
9 Q. As to this document, I'll note that there are some
10 references in the later pages to events occurring in 2000, I
11 think the latest I saw was July 2000; does that help you at
12 all or refresh as to when this document may have been
13 created?
14 A. No, it doesn't.
15 Q. Do you know if it was created when you were
16 head of Artesia Securities?
17 A. I don't remember that, when it was created.
18 Q. If you could turn to page 159278, please. It's an
19 organizational chart for Artesia Banking Corporation. Did
20 this chart reflect the structure of Artesia Bank at the time
21 you were head of Artesia Securities?
22 A. Again, I don't know because I haven't seen a date.
23 I don't know if at that time I was head of Artesia
24 Securities, so I can't say if this is a chart when I was
25 head of Artesia Securities. I don't see the date.

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1 Q. Does that help you determine the time of this
2 document?
3 A. No.
4 Q. Did you serve as Vice-President of Artesia
5 Securities for a time before becoming President?
6 A. I don't remember that.
7 Q. And you said you succeeded Mr Van De Walle as
8 President, is that correct?
9 A. That's correct.
10 Q. Did he succeed Mr Avonts?
11 A. I don't remember that.
12 Q. OK. Do you know what your responsibilities were
13 as Vice-President of Artesia Securities?
14 A. I don't remember that, probably responsible for
15 the different activities which are below, lower
16 responsibility.
17 Q. There's a reference to the Research, both Primary
18 and Sell Side, with your name underneath; do you see that?
19 A. Yes.
20 Q. What were your responsibilities in regard to
21 Research?
22 A. I don't remember that.
23 Q. Did you meet with equity analysts while at Artesia
24 Securities?
25 A. I'd meet the equity analysts, yes.

1 Q. Did you meet with them regularly?
 2 A. I don't remember that if we had formal meetings.
 3 Q. Did the equity analysts report to you directly?
 4 A. I don't remember that.
 5 Q. Were you responsible for hiring the equity
 6 analysts?
 7 A. As the Vice-President I have seen most of the key
 8 people which we hired, I have seen them, yes.
 9 Q. Did you have minutes of meetings with your equity
 10 analysts?
 11 A. I don't remember that.
 12 Q. Did you have discussions with analysts as to
 13 particular coverage?
 14 A. I don't remember that. That must have been, but I
 15 don't remember what kind of discussions we had.
 16 Q. Under investment banking there is a reference to
 17 Ph Steverlynck; is that a reference to Mr Philippe
 18 Steverlynck?
 19 A. That's right.
 20 Q. At some point did he become head of investment
 21 banking?
 22 A. Sorry?
 23 Q. At some point did he become head of investment
 24 banking?
 25 A. Yes.

1 Q. In trying to develop Artesia Securities and
 2 leverage business connections with Artesia, why wouldn't you
 3 exploit a network of the biggest internet brokers in
 4 Belgium?
 5 MR. WEIDNER: Object to the form.
 6 THE WITNESS: Because the only thing that were the
 7 clients of the internet brokers were not our clients.
 8 Again, that was some kind of an outsourcing from the smaller
 9 banks, who asked us who has the platform and the Back Office
 10 and the IT system to do the routing of that kind of orders;
 11 that is all.
 12 MR. EGAN: If you turn to the next page regarding
 13 Syndication, there is a reference to an institutional
 14 network as well as an existing retail network; do you see
 15 that?
 16 A. Mmh.
 17 Q. Does this include the institutional clients you
 18 were discussing earlier?
 19 A. Mmh.
 20 Q. It says the "Institutional network (Belgium &
 21 International)". Do you know if Artesia Securities
 22 supported institutions throughout Europe?
 23 A. I don't remember that.
 24 Q. Do you know if they supported institutions in the
 25 US?

1 Q. Did he succeed you in that role?
 2 A. Yes.
 3 Q. At the time he succeeded you, was investment
 4 banking folded within Artesia Securities?
 5 A. I don't know the exact dates of when he took over
 6 my responsibilities and when it was integrated into Artesia
 7 Securities, so I can't confirm that.
 8 Q. If you turn to the -- further into the document at
 9 159289, please. A reference -- a discussion of
 10 Institutional Sales, and there's a reference to "Artesia
 11 Securities was connected to the biggest Internet Brokers in
 12 Belgium for routing their Easdaq orders". Do you see that?
 13 A. Mmh.
 14 Q. Did Artesia Securities also use this broker
 15 network for disseminating its equity research?
 16 A. No, I don't think -- no.
 17 Q. They did not?
 18 A. No.
 19 Q. Do you know why not?
 20 A. Because research was only for institutional
 21 clients, and this was only, if I remember it, it was only
 22 doing the transactions, the Back Office of the transactions,
 23 doing the routing of the transactions, nothing to do with
 24 things like research. It was for smaller banks who hadn't
 25 their own system.

1 A. I don't remember that.
 2 Q. Do you know how many institutions were part of the
 3 client base?
 4 A. No, I've already answered, I don't remember the
 5 exact numbers.
 6 Q. Do you know if it was five or ten or?
 7 A. More than ten because otherwise it would not be a
 8 very healthy company I think.
 9 Q. What amount would -- can you guess at all as to
 10 the number of institutional clients you had when you were
 11 head of Artesia Securities?
 12 A. I don't remember, a rough estimate 100.
 13 Q. How about before you became head of Artesia
 14 Securities?
 15 A. I don't remember that, I don't remember that.
 16 Q. And the existing retail network references 1348
 17 selling points, what does that reference, what does that
 18 mean 'the retail network'?
 19 A. It means our branches, the branches of the bank.
 20 Q. You can put that back to the side, that document
 21 to the side.
 22 MR. WEIDNER: Shall we take a break?
 23 MR. EGAN: We'll take a break. We'll go off the
 24 record.
 25 THE VIDEOGRAPHER: Going off the record at 10:45 pm.

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1 (Off the record.)
2 THE VIDEOGRAPHER: Going back on the record at 11:01
3 am.
4 MR. EGAN: Mr Decraene, I think for the purposes of
5 establishing a little bit of a more firm timeline you talked
6 earlier today about being head of investment bank and then
7 being appointed to lead Artesia Securities, correct?
8 A. Mmh.
9 (Decraene Exhibit 7 marked.)
10 Q. You have been handed what has been marked as Dexia
11 (sic) Exhibit 7, a document DBB 109839 through 853, and if
12 you could turn to the fourth page of the document at 842.
13 Item 3.5 – actually, before we turn to 3.5, I'm just going
14 to ask if you recognize this document?
15 A. No, I don't recognize it.
16 Q. Does this appear to be Management Committee
17 minutes for a May 23rd 2000 meeting?
18 A. Mmh.
19 Q. Have you ever seen this document before?
20 A. No, I haven't.
21 Q. If you could turn to page 3.5 regarding investment
22 banking and Artesia Securities, and can you take a minute to
23 review that, please.
24 A. OK. (Pause.)
25 Q. Sir, does this refresh your recollection as to

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1 first line after the reference to the departing of general
2 manager Mr Van De Walle; do you know who the chairman is
3 that's referenced there?
4 A. I'm not quite sure, but I think that must be
5 Mr Bruneel, the chairman of the Bank.
6 (Decraene Exhibit 8 marked.)
7 Q. Bruneel, OK. You can put that aside for now, and
8 I would like to mark Decraene Exhibit 8, the document Bates
9 stamped DBB 153903 through 911. Sir, do you recognize that
10 document?
11 A. No, I don't.
12 Q. OK. If you could turn to page 153908, please?
13 A. Yes.
14 Q. At the bottom of the page is that your signature?
15 A. That's my signature, yes.
16 Q. Did you sign this on or about December 31st of
17 2000?
18 A. Yes.
19 Q. OK. Is this an agreement by which Artesia Banking
20 was assigning the investment bank business to Artesia
21 Securities?
22 A. I haven't read that. (Pause) Yes, it's confirming
23 the transfer of the investment banking duties.
24 Q. Is this formalizing the decision that we just
25 looked at in Decraene Exhibit 7?

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1 when you became head of Artesia Securities?
2 A. No, it doesn't refresh it but the date is 23 of
3 May 2000, so probably it will be a little bit after that.
4 Q. OK. So prior to at least May of 2000 you were
5 still working as head of investment banking at Artesia Bank,
6 is that correct?
7 A. I suppose so, yes.
8 Q. OK. And there's a reference that your current
9 responsibilities in investment banking would be integrated
10 into Artesia Securities. By that did that contemplate that,
11 structurally, investment banking would be moved from Artesia
12 Bank into Artesia Securities?
13 A. That's right.
14 Q. And it says "with the exception of the
15 securitization unit".
16 A. Yes.
17 Q. What is the securitization unit?
18 A. It was a securitizations unit which was headed, as
19 I read here, by Mr Van Den Eynde; and securitization is
20 mostly linked to fixed income transactions, fixed income
21 lenders, equity linked transactions; and they decided at
22 that time not to integrate that kind of activities into
23 Artesia Securities and to keep it separated from the
24 Securities' equity business.
25 Q. OK. There's a reference to the chairman in the

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1 A. I haven't read the whole document, so this is the
2 only document which is explaining, it's a formal document,
3 the transfer of activity; and if you have a transfer of
4 activities from one company to another company, because we
5 have two different legal entities, you need a formal
6 agreement and I think this is the agreement.
7 Q. OK. So, as of at least late May to early – late
8 May of 2000, you became active as the head of Artesia
9 Securities and, as of December 31st 2000, investment banking
10 officially was transferred to Artesia Securities; is that
11 correct?
12 A. This is December 2000 and the other document was
13 made, I don't know, was made – May 2000, so, yes, this is
14 the official document of the transfer of activities.
15 Q. Between the May decision of the Management
16 Committee and the finalization of this document, this
17 agreement, did you have a dual role as head of investment
18 banking and head of Artesia Securities?
19 A. I don't remember that, I don't remember that.
20 Q. But, prior to assuming responsibilities – strike
21 that. When did you assume responsibilities as head of
22 Artesia Securities?
23 A. I don't remember the exact date, the creation of
24 the – the proposition to create it, to do it, was in May;
25 when I have really took over the company and the

1 responsibility of that company, that date I don't remember.
 2 Q. Do you know if it would have been after -- do you
 3 know if it would have occurred prior to this December 31st
 4 2000 agreement?
 5 A. Again, I don't remember that.
 6 Q. But, prior to May of 2000, you were at investment
 7 banking at Artesia Bank, correct?
 8 A. It wasn't now May or later, again I was -- before
 9 taking over responsibilities of Artesia Securities I headed
 10 the investment banking; the transfer period of that, the
 11 exact date, I don't remember that.
 12 Q. But at least as late as May 23rd 2000 you were at
 13 investment banking at Artesia Securities, correct?
 14 A. I was investment banking.
 15 Q. At Artesia Bank, excuse me. Let me strike the
 16 question. At least as of May 23rd 2000 and before you were
 17 head of investment banking at Artesia Bank, correct?
 18 A. Yes, correct.
 19 Q. And we've looked at some documents dating back
 20 into 1998 already of Artesia Securities' documents, which
 21 you were copied; do you know why you were present at Artesia
 22 Securities' meetings as far as back as 1998?
 23 A. It depends on the issues which are on the agenda,
 24 but again I don't remember the different meetings and the
 25 different issues of the meetings so.

1 Q. And you don't recall attending, roughly, weekly
 2 meetings of Artesia Securities throughout December of 1998,
 3 throughout all of '99?
 4 A. No, I don't remember that.
 5 Q. Do you recall receiving periodic minutes of
 6 Artesia Securities' meetings prior to May of 2000?
 7 A. No, I don't remember that.
 8 Q. If you did receive them, how would you have
 9 maintained them? Would you maintain them in your private
 10 files?
 11 MR. WEIDNER: Object to the form.
 12 THE WITNESS: I don't remember that.
 13 MR. EGAN: You can put that document aside. Do you
 14 know if Artesia -- while you were head of investment banking
 15 at Artesia Bank do you know if Artesia Bank and Artesia
 16 Securities had to maintain separate minutes?
 17 A. I don't know if I had -- I don't remember if
 18 investment banking had minutes, because we were the
 19 division of the Bank, so Artesia Securities was not a legal
 20 company with its own management structure and its own board
 21 directors, so it was logical not to have minutes.
 22 Investment banking was not a legally separated company. It
 23 was a division within the Bank, so we hadn't -- we hadn't
 24 official minutes.
 25 Q. Do you know if Artesia Securities and Artesia Bank

1 used the same logo?
 2 A. I think so.
 3 Q. Do you know if Artesia Securities and Artesia Bank
 4 had the same Email system?
 5 A. I think so.
 6 Q. Do you know if they had the same Email addresses?
 7 A. No, I don't remember; I don't remember.
 8 Q. Part of the function of Artesia Securities was to
 9 publish equity research, is that correct?
 10 MR. WEIDNER: I'm sorry, could you read that back?
 11 COURT REPORTER: "Part of the function of Artesia
 12 Securities was to publish equity research, is that correct?"
 13 THE WITNESS: They had an equity research department,
 14 which published equity research, of course, yes.
 15 MR. EGAN: While at investment banking at Artesia Bank
 16 did you have a contact with any Artesia Securities'
 17 analysts?
 18 A. Probably there must have been some contacts, yes.
 19 Q. What contacts?
 20 A. I don't remember that, sir.
 21 Q. Do you recall -- strike that. Did you have
 22 meetings with analysts as part of your duties as investment
 23 banking?
 24 A. Probably there has been some meetings, yes, but
 25 the content of the different meetings I don't remember that.

1 Q. Did you review equity analyst reports issued by
 2 Artesia Securities?
 3 A. No, never; the responsibility of an analyst report
 4 and the research report is the responsibility of an analyst,
 5 so we read them but that's all.
 6 Q. So you would read them, but you would read --
 7 would you read the final reports after they were completed?
 8 A. Final reports.
 9 Q. Did you ever read drafts?
 10 A. No.
 11 (Decraene Exhibit 9 marked.)
 12 Q. OK. Let's mark Decraene Exhibit 9. This is a two
 13 page document, Bates stamped DBB 089780 through 781. I'm
 14 going to ask, sir, do you recognize this document?
 15 A. No, I don't.
 16 Q. You do not?
 17 A. I don't remember that document, I don't recognize
 18 it, sir.
 19 Q. Does that appear to be an analyst report issued by
 20 Artesia Securities?
 21 A. No, this is not a research report, it's just a
 22 stock flash.
 23 Q. And what is a stock flash?
 24 A. It was like it call, like the name is mentioning,
 25 it was a flash, not a huge document just reacting very

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1 quickly on something happening on the market with the
2 Company and they send it over to our institutional clients.
3 Q. And it lists the analyst as Pierre-Paul Vereist,
4 V-E-R-E-L-S-T.
5 A. Yes.
6 Q. Do you see that?
7 A. Yes.
8 Q. In 1999 did you have any meetings with Mr Vereist?
9 A. I don't remember that.
10 Q. Did Mr Vereist report to you in any way at that
11 time?
12 A. No.
13 Q. And this is reflecting a buy recommendation on
14 Lernout & Hauspie on July 13th of 1999, is that correct?
15 A. That's correct, yes.
16 (Decraene Exhibit 10 marked.)
17 Q. OK. You can put that aside. I'd like to mark as
18 Decraene Exhibit 10, a document Bates stamped DBB 085587
19 through 599.
20 A. Thank you.
21 Q. Sir, this document is a collection of stock
22 flashes; do you recognize these documents?
23 A. No, I don't recognize them.
24 Q. Do these appear to be a series of stock flashes
25 issued by Artesia Securities?

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1 A. No, I don't.
2 Q. Is this a stock flash by Artesia Securities in
3 December of '99 recommending a buy of Lernout & Hauspie?
4 A. Yes, yes.
5 Q. Do you recall reviewing this document after it was
6 published?
7 A. I don't know, I don't know.
8 Q. Apart from stock flashes, did Artesia Securities
9 also publish weekly zoom reports throughout '99?
10 A. We had several options or several forms of
11 publishing equities' reports. This was a stock flash. I
12 don't remember exactly if we had a weekly or a monthly; I
13 don't remember that, but could be.
14 Q. And was that - was Artesia Securities putting
15 those out both prior to you assuming head of Artesia
16 Securities and after?
17 A. I don't remember if they sent me always - if I've
18 received always the stock flashes and the weekly overviews,
19 if there were any, or the analyst reports; I don't remember
20 if it was formalized, I say that.
21 (Decraene Exhibit 12 marked.)
22 Q. OK. Let's mark Decraene Exhibit 12. It's a
23 document Bates stamped DBB 146103 through 106. I'll ask,
24 sir, do you recognize this document?
25 A. No, I don't recognize it.

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1 A. Probably, yes.
2 Q. Would you have reviewed these when they were
3 issued?
4 A. No.
5 Q. You would not have?
6 A. I've received them afterwards if they were issued,
7 but I don't remember that I have read them; I don't remember
8 that.
9 Q. Typically, would you review stock flashes or
10 analyst reports that were prepared by Artesia Securities?
11 A. The meaning of 'review' do you mean that
12 afterwards?
13 Q. Afterwards, once they were disseminated?
14 A. Not always.
15 Q. Not always.
16 A. Lack of time.
17 Q. And these all appear to be buy recommendations for
18 Lernout & Hauspie from July of 1999 through November of '99,
19 is that correct?
20 A. Yes.
21 MR. WEIDNER: Object to the form.
22 (Decraene Exhibit 11 marked.)
23 MR. EGAN: Let's mark Decraene Exhibit 11, please, a
24 document Bates stamped DBB 146420 through 23. Sir, do you
25 recognize this document?

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1 Q. Does this appear to be a small and mid cap zoom
2 weekly put out by Artesia Securities around November 12th of
3 '99?
4 A. Yes.
5 Q. Did you receive this at that time or after?
6 A. I don't remember that.
7 Q. And if you look at the last page.
8 A. Yes.
9 Q. It has a recommendation weekly update.
10 A. Mmh.
11 Q. List of Artesia Securities recommendation, then a
12 series of stock; do you see that?
13 A. I see it, yes.
14 Q. Were those generally included in all weekly
15 updates?
16 A. I don't remember that.
17 Q. As to any research or reports done by Artesia
18 Securities, whether it be stock flashes, company reports or
19 weekly zoom reports, how were they disseminated within the
20 Bank?
21 A. Disseminated as distributed?
22 Q. Yes.
23 A. I don't know. I don't know if there was - I
24 don't remember if there was an official list of people who
25 received this, yes or no, I don't remember that. Again, it

1 was like you see it -- it was defined by the people from
 2 institutional sales who are mentioned beneath the paper who
 3 sent these documents to the different clients. They were
 4 responsible for the following up of the institutional
 5 clients and they took the decisions.

6 Q. Just to clarify, you were talking about Decraene
 7 Exhibit 12, at the bottom there is a list of institutional
 8 sales and equity research.

9 A. Yes.

10 Q. And institutional sales personnel, they had the
 11 responsibility for disseminating these reports to clients?

12 A. To their institutional clients, yes.

13 Q. What about the equity research, what was their
 14 role in distributing or disseminating these?

15 A. They made documents, if I remember. They were not
 16 responsible for the distribution. The distribution was done
 17 by the institutional sales.

18 Q. And the institutional sales people listed, were
 19 they part of Artesia Securities or Artesia Bank?

20 A. Artesia Securities.

21 Q. Did any of the individuals listed on Decraene
 22 Exhibit 12 ever work for you in investment banking?

23 A. No.

24 (Decraene Exhibit 13 marked.)

25 Q. If you'd like to mark Decraene Exhibit 13, a one

1 know what is under "all WTC" and under "all branches"; I
 2 don't remember that.

3 Q. OK. Could this cover all of the over 1300 retail
 4 branches you referenced earlier?

5 A. Again, I don't know that.

6 Q. Did you receive Emails like this related to stock
 7 flashes?

8 A. I don't remember that.

9 Q. Do you know if the stock flashes could be merely
 10 viewed at the bulletin board or if they could be downloaded
 11 by the people accessing that?

12 A. I don't know.

13 (Decraene Exhibit 14 marked.)

14 Q. Let's mark Decraene Exhibit 14, a one page
 15 document, DBB 145092. Sir, do you recognize this document?

16 A. No, I don't.

17 Q. This appears to be another Email from Mr Verelst
 18 dated October 6th '99 to all branches and all WTC regarding
 19 a news flash on Lernout & Hauspie; do you see that?

20 A. I see that.

21 Q. Did you receive this document on or about October
 22 6th 1999?

23 A. I don't remember that.

24 Q. At the time you were working for Artesia Bank, is
 25 that correct?

1 page document DBB 123221. Sir, do you recognize this
 2 document?

3 A. No, I don't.

4 Q. This appears to be an Email from Mr Verelst, dated
 5 September 15th 1999; do you see that?

6 A. Mmh.

7 Q. And he's referencing a Lernout & Hauspie stock
 8 flash, do you see that?

9 A. Mmh.

10 Q. And it's going to be available on the bulletin
 11 board; what is the bulletin board he's referencing there?

12 A. I don't know.

13 Q. The recipient in the 'To' line of this Email is
 14 "all WTC and all branches"; does that refer to all
 15 branches of Artesia Bank?

16 A. I don't know, I don't know.

17 Q. Did Artesia Securities have various branches?

18 A. No, they haven't.

19 Q. And "all WTC", would that refer to the World Trade
 20 Centre building in Brussels?

21 A. Probably, yes, WTC, yes.

22 Q. So this would be distributed to everyone at the
 23 World Trade Centre building and everyone affiliated at the
 24 Bank and everyone at the Bank's branches.

25 A. Again, I don't know who it was sent to; I don't

1 A. Yes.

2 Q. As head of investment bank, what office did you
 3 work out of?

4 A. I was also in the WTC building.

5 Q. OK. Do you have any reason to doubt that you
 6 would have received this?

7 A. Again, I don't know what he means on there, what
 8 is meant on there "all WTC"; so I don't remember if I have
 9 received this document; it's seven years ago so.

10 (Decraene Exhibit 15 marked.)

11 Q. OK. This is just going to be one more with the
 12 same question. I'd like to mark Decraene Exhibit 15, a one
 13 page document DBB 145118. Sir, do you recognize that
 14 document?

15 A. No.

16 Q. Again, this is from Mr Verelst, an October 14th
 17 1999 Email, again to all WTC and all branches, referencing
 18 stock flashes on Chemunex, C - H - E - M - U - N -
 19 E - X, and Flanders Language Valley fund available on the
 20 bulletin board. Did you receive this document?

21 A. I don't know, I don't remember.

22 Q. Do you have any reason to doubt that you received
 23 that?

24 A. Again, I don't remember.

25 Q. When you were head of Artesia Securities were

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1 analyst reports or stock flashes or any publication
2 disseminated bank wide through a computer system or a
3 bulletin board?
4 A. I don't remember that.
5 Q. Now why don't we go ahead and take a break and
6 change the tape.
7 THE VIDEOGRAPHER: Going off the record at 11:28.
8 (Off the record.)
9 THE VIDEOGRAPHER: Starting roll 2 in the deposition
10 of Stefaan Decraene. Going back on the record at 11:33 am.
11 MR. EGAN: Mr Decraene, you mentioned that the
12 institutional sales department would then be responsible for
13 disseminating any analyst coverage or reports to the
14 institutional clients, is that correct?
15 A. Yes.
16 Q. Do you know how they would distribute those
17 reports?
18 A. I don't remember that exactly. It could be two
19 ways. It could be by sending them over by Email or, really,
20 send them over printed documents; but I don't know, I don't
21 remember how and how frequently we did that.
22 Q. And you mentioned the institutional clients
23 earlier, and I believe you've mentioned pension funds,
24 insurance companies and investment advisors; is that
25 correct?

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1 A. Not investment advisors, more asset management
2 company I said.
3 Q. Asset management companies?
4 A. With pension funds, yes, asset management
5 companies.
6 Q. Were there any other type of institutional clients
7 that --
8 A. No, the three classes that I've mentioned I think
9 are the three most important ones.
10 Q. But there were others?
11 A. I don't remember.
12 Q. Do you know how many pension funds were clients of
13 the Bank at that time?
14 A. No, the exact number I don't remember.
15 Q. Do you know how many insurance companies?
16 A. I knew that all the main insurance companies in
17 Belgium were within our institutional client base.
18 Q. What do you mean by all the main insurance
19 companies?
20 A. You don't have 100 insurance companies in Belgium,
21 so if you say -- if you would ask how many, I would say six,
22 seven, something like that.
23 Q. Say what?
24 A. Six or seven, the biggest players.
25 Q. And how about asset management companies?

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1 A. I don't know the exact number.
2 Q. When the Artesia reports -- I'm going to refer to
3 Artesia reports to cover stock flashes or the weekly zooms
4 or whatever the analyst publication, the equity analyst
5 publication, is; is that OK with you for this purpose?
6 A. Yes.
7 Q. OK. When the Artesia Securities' reports were
8 sent, were there any restrictions on the dissemination?
9 A. I don't remember that.
10 Q. Do you know who in investment sales would be in
11 charge of monitoring the distribution of the reports?
12 A. Normally, it would be the head of sales.
13 Q. Do you know who the head of sales was in 1999?
14 A. It was Mr Deklippe I think.
15 Q. I'm sorry, can you -- do you know how to spell his
16 last name?
17 A. I can try, but I'm not, D -- E, and then I --
18 hesitate it's a C or a K, but I think it's a C -- L -- I --
19 P -- P -- E -- L.
20 Q. OK. And that is the same Mr Deklippe who we
21 spoke of earlier this morning on certain documents?
22 A. Yes.
23 Q. Was Mr Deklippe head of sales at the time you
24 assumed head -- strike that. When you became head of
25 Artesia Securities was Mr Deklippe head of sales at that

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1 point?
2 A. Yes.
3 Q. Did he remain head throughout your tenure?
4 A. He has left the company, but the exact date again
5 I don't remember that. So was it during my period at
6 Artesia Securities or after that? I'm not very sure. I
7 think after that, but I'm not very sure. I'm not 100 per
8 cent convinced that it was after.
9 Q. Apart from institutional clients of Artesia
10 Securities, were there any other clients of the Bank that
11 requested access to Artesia Securities' analyst reports?
12 A. What we have seen is that for -- that we had some
13 smaller banks who asked to use our platforms to execute
14 their orders, so this was more -- it was not for
15 institutional clients, for smaller banks who had not,
16 there's a little bit of kind of an outsourcing of their
17 brokerage activities.
18 Q. And that would be like Back Office type
19 activities?
20 A. Yes, yes.
21 Q. But, apart from that, as to the equity research
22 done by Artesia Securities, did any other Bank's client
23 request access to that?
24 A. No, not that I remember.
25 Q. Would they have been denied access?

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1 A. I don't remember.
 2 (Decraene Exhibit 16 marked.)
 3 Q. I'd like to mark Decraene Exhibit 16, document DBB
 4 153501 through 511.
 5 A. Thank you.
 6 Q. Sir, do you recognize this document?
 7 A. No, I don't.
 8 Q. If you look at the 'To' line, do you see yourself
 9 referenced - strike that. Do you see yourself referenced
 10 in the 'To' line of this memo?
 11 A. Yes.
 12 Q. Does this appear to be meeting minutes of an
 13 Artesia Securities' meeting held on February 5th of 1999?
 14 A. Yes.
 15 Q. And it lists number 11 next to the meeting, do you
 16 see that?
 17 A. Yes.
 18 Q. Does this help refresh your recollection as to
 19 whether you were attending periodic or weekly Artesia
 20 Security minutes - meetings?
 21 A. No, it doesn't.
 22 Q. OK. And this is February of '99, and at that
 23 point you were still with investment banking at Artesia
 24 Bank, correct?
 25 A. Probably, yes.

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1 Q. You did not?
 2 A. No.
 3 Q. Did you have any dealings with anyone at Cordius
 4 at all when you were in investment banking?
 5 A. Not that I remember, no.
 6 Q. If you'd turn to the first page of this document,
 7 sir. Mr C H Delvaux, D - E - L - V - A - U - X; what
 8 is his complete name?
 9 A. Delvaux is that? Christophe, I think it was
 10 Christophe.
 11 Q. Do you know what his position was in February of
 12 1999?
 13 A. If my memory is good I think he was responsible
 14 for Back Office.
 15 Q. At Artesia Securities?
 16 A. At Artesia Securities, yes.
 17 Q. Did he regularly prepare minutes of Artesia
 18 Securities' meetings?
 19 A. I don't remember that. Probably yes, because he
 20 has done this one and also the other ones; so probably yes;
 21 but I don't remember it.
 22 Q. And did he prepare them on a regular basis
 23 following the meetings?
 24 A. Again, I don't remember that.
 25 Q. Do you know why you were at this meeting?

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1 Q. I'd like to turn to the second page of the Exhibit
 2 at point 2.3, and if you look down to the second to last
 3 bullet point, the reference to 'website', do you see that?
 4 A. No, can you point it, the second? Under
 5 'website'?
 6 Q. 2.3, yes, 'website'?
 7 A. OK.
 8 Q. At this time was Artesia Securities planning to
 9 prepare a website to broadcast analyst research?
 10 A. Honestly, I don't remember.
 11 Q. Do you know if analyst research was ever provided
 12 on your website?
 13 A. I don't remember.
 14 Q. If you turn to the next page, and particularly
 15 item 3.2, 'Research for First Call'; if you could look at
 16 that paragraph, please. What does the reference to 'First
 17 Call' mean?
 18 A. I don't know.
 19 Q. Are you familiar with --
 20 A. No.
 21 Q. -- a system called, known as First Call?
 22 A. I don't.
 23 Q. Did you have any discussions at this time with
 24 anyone with Cordius about research activities?
 25 A. No.

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1 A. No.
 2 Q. Do you recall any discussions of the Artesia
 3 Securities' website?
 4 A. No, I don't remember that.
 5 Q. Were you involved in any way in setting up the
 6 Artesia website?
 7 A. No, I don't remember that.
 8 (Decraene Exhibit 17 marked.)
 9 Q. I'd like to mark Decraene Exhibit 17. Sir, this
 10 is a an un-Bates stamped document, which is a printout of
 11 the Artesia Securities' website through a web archive
 12 system. The archive has existed since December 4th 2000.
 13 That is going to be my representation to you. If you could
 14 flip through these pages, does this look familiar as to what
 15 Artesia Securities' website was in 2000.
 16 A. Again, I didn't remember that we had created our
 17 own website. I didn't - even I don't know if we have
 18 realized it, but it's a little bit like a former document
 19 that I saw. It's a commercial - it's commercial things
 20 that are put on paper to communicate with our clients.
 21 Q. If you turn a few pages in.
 22 A. Yes. Page?
 23 Q. Eight pages in, there's a 'Publications' at the
 24 top of the page. Unfortunately, it's not Bates stamped so.
 25 A. This one.

1 Q. Yes, the Publications page, and there is a
2 reference to Artesia Securities' research team. There's a
3 question mark in there; I'm guessing it should be an
4 apostrophe and it was done during the archive process. Do
5 you recall information about Artesia Securities' research
6 publications being put up on the website?

7 A. Again, I don't remember what we have put on that
8 website. I even don't remember that we have -- if we have
9 realized that website, so I don't remember what we have put
10 on it.

11 Q. Well, this page summarizes the different
12 publications that Artesia puts out, is that correct?

13 A. Yes, that's correct.

14 Q. And if you turn, there's a list of stock flashes.
15 There's both a chronological view and -- or, first, excuse
16 me, there's a company profile page, and if you turn to the
17 next page would be the link to the company profiles, and it
18 lists the various companies there.

19 A. Mmh.

20 Q. There's a warning at the top saying that the
21 profile and flashes are reserved for clients and protected
22 by password, do you see that?

23 A. I see that.

24 Q. Do you recall having research information password
25 protected at that time?

1 A. I don't remember that.

2 Q. The next few pages are the chronological view of
3 stock flashes listed by date and then company, do you recall
4 the information being organized this way on the website in
5 2000?

6 A. Again, I don't remember that.

7 Q. OK. The next two pages are the alphabetical list
8 of the same information.

9 A. Mmh.

10 Q. If you could turn to the second to last page in
11 this Exhibit, sir.

12 A. This one?

13 Q. Yes.

14 A. Asking password.

15 Q. Artesia Securities asking password. If -- in
16 order to request the stock flashes to the website it would
17 prompt you to request a password and would take you to this
18 page, does this refresh your recollection as to whether
19 there was any password protected information on the website?

20 A. No.

21 Q. And it asks for general information, including
22 questions as to whether you're a client of the Bank and, if
23 so, who the contact is; do you see that?

24 A. Yes.

25 Q. Do you see any restrictions on this page limiting

1 access to only institutional investors?

2 A. The thing that I see there are your company, you
3 have to ring in the name company, for rest -- it has to be
4 submit, so I don't know if there was, again, I don't
5 remember this procedure and I don't know if there was after
6 you have filled in this document there was a submission or
7 something like that, I don't -- but again I don't remember
8 that.

9 Q. Do you know if any customer of the Bank could
10 request a password?

11 A. I don't remember that.

12 Q. Do you know if any customer of the Bank requested
13 a password, if they would be granted access?

14 A. I don't -- I don't know, I don't remember the

15 procedure so I can't answer that question.

16 Q. Do you know who would have oversaw the procedure

17 for the website?

18 A. No, I don't know that.

19 Q. (Pause) This was a website generally available for

20 the public, is that correct?

21 A. Again, I've just seen this document and I don't

22 remember the creating of that specific website. I

23 haven't -- I even don't remember the final product that we

24 have published. To who it was -- to whom it was prepared or

25 set up, I don't remember that.

1 Q. Do you know of any restriction -- strike that.

2 And you don't know who was managing --

3 A. No.

4 Q. -- the website at that time?

5 A. No.

6 (Decraene Exhibit 18 marked.)

7 Q. OK. You can put that aside. I would like to mark
8 Decraene Exhibit 18, which is a collection of documents
9 which different Bates numbers. It's four pages, Bates
10 stamped 84 -- all DBB 847826905, 29121 and 52672. Sir, do
11 you recognize these pages?

12 A. No, I don't.

13 Q. Do these appear to be Bloomberg screenshots?

14 A. Probably, yes; I see Bloomberg down the page, so
15 probably yes.

16 Q. Are you familiar with the Bloomberg company?

17 A. I know the Bloomberg company, if I'm familiar with
18 it that's....

19 Q. OK. Did you typically access Bloomberg in your
20 role --

21 A. Personally, no.

22 Q. Did you have a Bloomberg terminal in your office?

23 A. No.

24 Q. Did your staff at investment banking have access
25 to Bloomberg terminals?

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1 A. That I don't remember if anybody had access, I'm
 2 not aware of that.
 3 Q. Do you recall ever reviewing analyst
 4 recommendations on Bloomberg?
 5 A. No.
 6 Q. OK. If you look at the first page under the first
 7 analyst recommendation lists Artesia Securities Pierre-Paul
 8 Verelst buy recommendation, dated July 14th '99; do you see
 9 that?
 10 A. I see that, yes.
 11 Q. And this all relates to Lernout & Hauspie Speech
 12 Products, is that correct?
 13 A. Yes.
 14 Q. Do you know how that posting on Bloomberg came
 15 about?
 16 A. Probably they have contact with us or Mr Verelst
 17 has sent over his recommendation to Bloomberg; so if it was
 18 Bloomberg who called us or Mr Verelst who has taken contact
 19 with Bloomberg, that I don't know.
 20 Q. If you look down at the second section under 7 it
 21 lists as Cordius Asset Management Jan Van Holsbeek buy
 22 recommendation March 19th '99; do you see that?
 23 A. Yes.
 24 Q. In 1999 was Cordius Asset Management also issuing
 25 analyst reports?

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1 A. I don't remember that.
 2 Q. Do you remember reviewing any Cordius analyst
 3 reports?
 4 A. I don't remember that, but this is probably not
 5 the same document, not the same screen; there are two
 6 screens, no? One is overlapping the other.
 7 Q. Yes, then there's the account --
 8 A. Because the -- yes.
 9 Q. If you turn to the -- next page.
 10 A. Yes.
 11 Q. At the bottom under analyst recommendation number
 12 5, again it's Artesia Securities, Nico Goethals --
 13 A. Goethals.
 14 Q. Goethals.
 15 A. Goethals.
 16 Q. Goethals.
 17 A. Goethals.
 18 Q. G -- O -- E -- T -- H -- A -- L -- S, a buy
 19 recommendation July 21st 2000; do you see that?
 20 A. Yes, I see that.
 21 Q. Was Mr Goethals an analyst of Artesia when you
 22 were head of the department?
 23 A. Yes, yes, he has been an analyst.
 24 Q. Did you review any of his research reports after
 25 they were finalized?

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1 A. I don't remember that. Sometimes yes, sometimes
 2 no. Again, I haven't reviewed all the -- I haven't read all
 3 the research reports.
 4 Q. Do you know how Bloomberg obtained the information
 5 of his buy recommendation?
 6 A. Again, the same question, he has sent them to
 7 Bloomberg or Bloomberg has called him, I don't know.
 8 Q. If you turn to the next page.
 9 A. The third one?
 10 Q. The third page, yes, thank you. Again, this sheet
 11 appears to be analyst recommendations for LHSP.
 12 A. Yes.
 13 Q. The first Artesia Securities Pierre-Paul Verelst,
 14 a buy recommendation on September 15th '99; do you see that?
 15 A. Yes, I see that.
 16 Q. And also at the bottom, the second to last is the
 17 Cordius Asset Management, a buy recommendation from March
 18 19th '99; do you see that?
 19 A. Yes, I see that.
 20 Q. Again, did you review this information at the
 21 time?
 22 A. I don't remember that.
 23 Q. Did you know that the recommendations were
 24 available on Bloomberg?
 25 A. I knew that they were available, yes.

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1 Q. You did. How did you know that?
 2 A. Because I've seen it once, but I haven't had a
 3 Bloomberg on my desk but I knew that Bloomberg was
 4 summarizing all those analyst recommendations; that I did
 5 know.
 6 Q. Did you have any discussions with anyone from
 7 Bloomberg about preparing research?
 8 A. No, never.
 9 Q. And if you turn to the last page.
 10 A. Yes.
 11 Q. There's a reference to Artesia Securities analyst
 12 Nico Goethals dated June 9th 2000, do you see that?
 13 A. Yes.
 14 Q. Again, did you review that at the time?
 15 A. I don't remember that.
 16 Q. Did Artesia Bank -- do you know if Artesia Bank
 17 owned securities of Lernout & Hauspie during 2000?
 18 A. I knew that we had some securities, but our
 19 positions and our positions on different dates I don't
 20 remember that.
 21 Q. Who would oversee trading at Artesia Bank for
 22 Artesia's own accounts?
 23 A. I think those shares must have been located, I
 24 think, by people from the financial markets.
 25 Q. Do you know who was head of financial markets in